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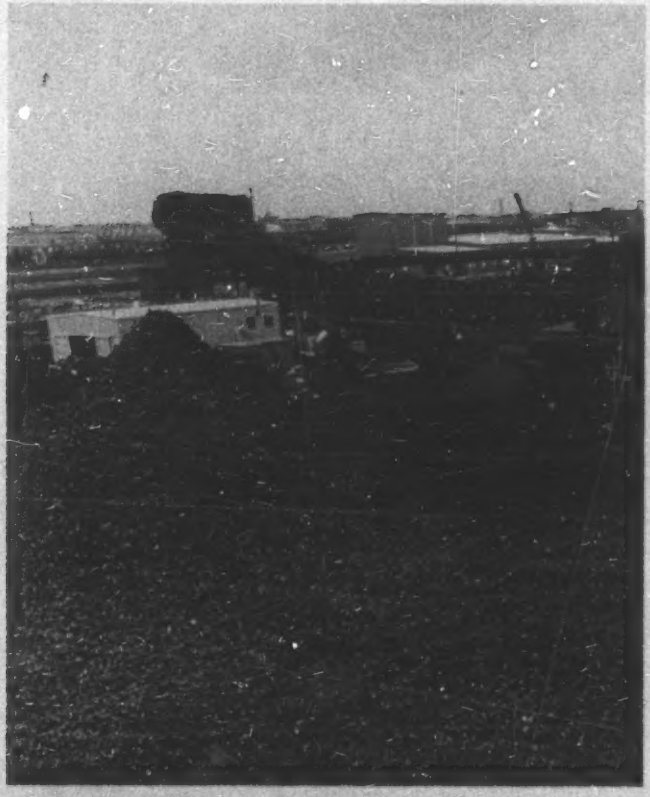
FACTS



Institute of Scrap Iron and Steel, Inc.
Representing America's Processors
of Metallic Scrap for Recycling.
1983 Yearbook • 41st Edition

The Institute

The Institute of Scrap Iron and Steel, Inc., founded in 1928, is a national association of approximately 1250 firms—predominantly processors and brokers of ferrous and nonferrous scrap. These firms handle, process and/or ship approximately 95 percent of all purchased ferrous scrap consumed in the U.S. or exported. Member companies also include consumers of scrap metals and suppliers to the industry.

A scrap metal processor is defined as one, who, from a fixed location, utilizes machinery and equipment for processing and manufacturing iron, steel or nonferrous metallic scrap into prepared grades and whose principal product is scrap iron, scrap steel or nonferrous metallic scrap for remelting purposes.

Facts
41st Edition
1983 Yearbook

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Note: All tonnage figures are in net (short) tons which equal 2,000 pounds. Scrap price tables are based on gross (long) tons equal to 2,240 pounds.

Monthly figures may not add to annual totals due to rounding or sampling differences.

Publications

"ISIS Handbook Including Specifications for Iron and Steel Scrap" ($5.00)
"Metallic Scrap—The Manufactured Resource"
"Municipal Solid Waste and Resource Recovery: Position Statement and Observations"
"Motor Vehicle Detitling"
"Ferrous Scrap—An International Commodity"
Phoenix Quarterly: To be placed on the complimentary mailing list to receive the Institute's award winning public interest periodical, write the Institute giving your full address.
Recent issues on the following subjects are available:
Ferrous Scrap Backlog
Garbage and Flow Control
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What's Ahead for Steel in 1983
Scrap in the Third World
Continuous Cast Steelmaking
"Steel Day"
Materials Recovery from Municipal Waste
How the Scrap Market Functions
Recycling America's Railroads
Recycling Automobile Blocks
Making Resource Recovery Economical
Industrial Auto Scrap
Auto Theft
Scrap Exports
International Trade in Scrap
Sodium Azide and Air Bags

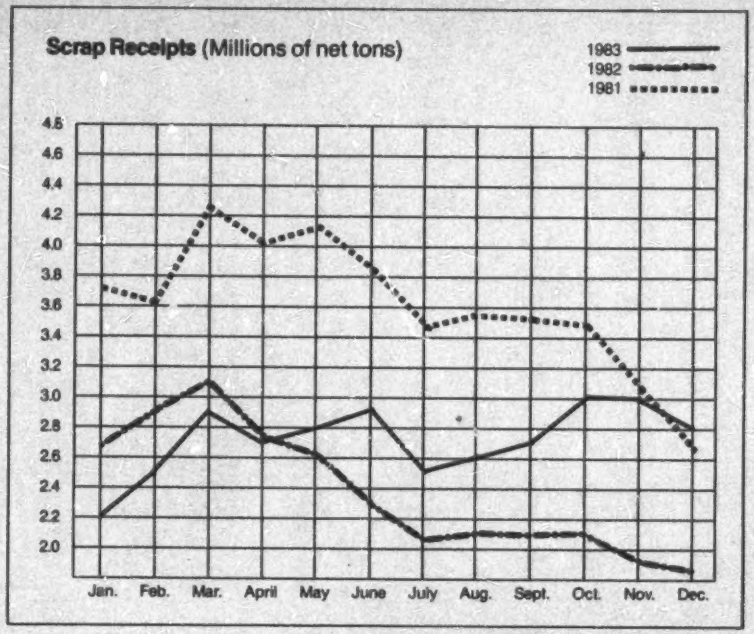
Facts

Summary

		1963	1973	1979	1980	1981	1982	1983
Ferrous Scrap for Recycling Purchased domestically by:[1]	Steel Mills	—	30.9	32.1	29.3	30.2	19.0	24.8
	Foundries	—	13.8	14.9	11.7	11.8	9.0	9.4
	Total	**32.2**	**44.7**	**47.0**	**41.0**	**42.0**	**28.0**	**34.2**
Home Scrap Produced in:[1]	Steel Mills	37.6	50.4	45.4	37.0	38.4	23.5	23.9
	Foundries	7.0	7.4	6.8	5.2	4.8	3.6	3.4
	Total	**44.6**	**57.8**	**52.2**	**42.2**	**43.3**	**27.1**	**27.2**
Purchased & Home Scrap consumed by:[1]	Steel Mills	59.3	82.5	77.2	66.6	68.3	43.7	49.0
	Foundries	15.3	21.1	21.7	17.1	16.8	12.7	12.8
	Total	**74.6**	**103.6**	**98.9**	**83.7**	**85.1**	**56.4**	**61.8**
Exported (Includes purchased & home)[5]	Carbon	6.2	11.0	10.75	10.86	6.24	6.56	7.37
	Stainless	**	**	0.11	0.12*	0.06	0.13	0.08
	Alloy	**	**	0.20	0.19	0.11	0.11	0.07
Prices (Composite, yearly average in dollars per gross ton)[2]	No. 1 Heavy Melting	27.11	57.95	97.81	91.35	91.53	63.35	73.90
	No. 2 Bundles	19.85	39.43	62.89	63.71	64.31	45.05	48.80
Iron Ore[1]	Mined domestically	82.4	98.2	96.0	78.0	83.2	40.9	42.5
	Imported	37.3	48.5	37.8	28.1	31.7	16.4	14.9
	Blast furnace iron consumed	72.7	99.8	87.5	69.1	75.0	44.4	50.1
Ferrous Production	Raw Steel Production[3]	109.3	150.8	136.3	111.8	120.8	74.6	84.6
	Steel Mill Shipments[3]	75.6	111.4	100.3	83.9	88.5	61.6	67.6
	Ferrous Foundries—Castings Shipments[4]	15.2	20.0	18.2	14.1	14.0	9.5	10.2
Finished Steel Composite Price[2] (yearly average, cents-per-pound)		6.273	9.380	20.006	21.655	24.224	25.271	26.190
Steel Production[3] by type of furnace and percent of total output	Basic Oxygen Furnace	8.5	83.3	83.3	67.6	73.2	45.3	52.1
	Percent	**7.8%**	**55.2%**	**61.1%**	**60.4%**	**60.6%**	**60.7%**	**61.5%**
	Electric	10.9	27.8	33.9	31.2	34.1	23.2	26.6
	Percent	**10.0%**	**18.4%**	**24.9%**	**27.9%**	**28.3%**	**31.1%**	**31.5%**
	Open Hearth	88.0	39.8	19.2	13.1	13.5	6.1	6.0
	Percent	**81.3%**	**26.4%**	**14.0%**	**11.7%**	**11.1%**	**8.2%**	**7.0%**
Ferrous Scrap Consumption by Furnace (purchased & home)[1]	Basic Oxygen	2.8	27.3	26.5	21.9	23.3	14.1	16.2
	Blast	4.3	4.2	4.1	3.7	4.0	2.6	3.1
	Cupola	11.9	15.3	12.8	9.4	9.1	7.3	7.7
	Electric	12.9	35.4	43.6	40.2	39.6	27.8	30.6
	Open Hearth	40.6	20.6	10.5	7.4	7.5	3.6	3.3
	Other	2.0	0.9	1.5	1.2	1.5	1.0	0.9

Sources
[1]U.S. Bureau of Mines (in millions of net tons)
[2]*Iron Age*
[3]American Iron & Steel Institute (in millions of net tons)
[4]U.S. Bureau of Census (in millions of net tons)
[5]Pre-1976 U.S. Bureau of Mines; post-1975 U.S. Bureau of Census
*Preliminary
**Not reported separately; included in carbon

Ferrous scrap consumption, purchased scrap receipts and home scrap production—thousands of net tons



Year	Total U.S. Scrap Consumed	Purchased Scrap Receipts	Home Scrap Production
1974	105,483	51,334	55,250
1975	82,331	36,753	46,042
1976	89,910	41,399	50,025
1977	92,198	41,933	49,517
1978	99,224	46,068	52,082
1979	98,901	46,963	52,219
1980	83,710	40,954	42,207
1981	85,097	41,981	43,260
1982	56,386	27,994	27,127
1983	61,782	34,219	27,247

Source: U.S. Bureau of Mines

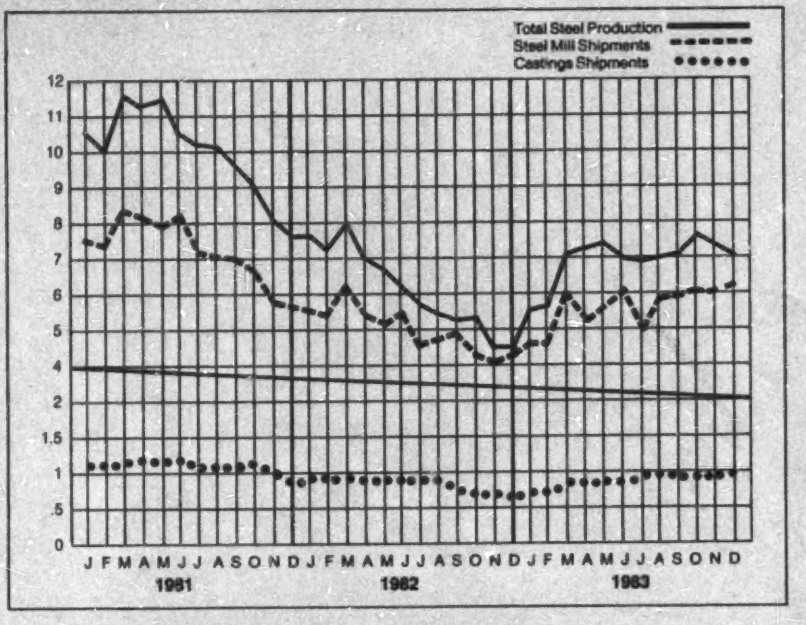
Domestic steel mills and foundries purchased 34 million net tons of ferrous scrap in 1983, a 21% increase over 1982, but still only 81% of 1981 volume.

On a monthly basis, scrap demand rose from the 1.9 million ton December 1982 trough to a monthly high of 3 million in November 1983. Ten of twelve months recorded market activity over 2.5 million tons, a performance superior to that of 1982's last half while inferior to all months of 1981.

In 1983, steel production rose 13.4%, steel mill shipments grew 9.7% and castings shipments increased 7.4% over previous year totals.

Month	Total U.S. Scrap Consumption	Purchased Scrap Receipts	Home Scrap Production
1981			
January	7,486	3,769	3,613
February	7,435	3,604	3,750
March	8,409	4,261	4,240
April	8,137	4,018	4,078
May	8,184	4,163	4,294
June	7,657	3,817	3,876
July	7,168	3,454	3,689
August	7,116	3,564	3,631
September	7,116	3,542	3,591
October	6,833	3,496	3,353
November	6,054	3,064	3,004
December	5,656	2,661	2,817
1982			
January	5,917	2,715	2,742
February	5,615	2,889	2,753
March	6,180	3,114	3,019
April	5,391	2,779	2,597
May	5,077	2,611	2,418
June	4,715	2,303	2,320
July	4,336	2,033	2,119
August	4,377	2,133	2,122
September	4,357	2,106	2,078
October	4,225	2,134	1,975
November	3,757	1,924	1,773
December	3,611	1,865	1,687
1983			
January	4,257	2,223	1,832
February	4,396	2,488	1,877
March	5,157	2,913	2,395
April	5,029	2,723	2,247
May	5,233	2,817	2,376
June	5,098	2,859	2,286
July	4,775	2,529	2,181
August	5,009	2,620	2,368
September	5,111	2,700	2,409
October	5,545	2,988	2,467
November	5,375	3,008	2,428
December	5,087	2,804	2,247

Raw steel production, steel mill and foundry castings shipments—millions of net tons



Trend of U.S. steel production by furnace—millions of net tons and by percentage[1]

	Basic Oxygen		Electric		Open Hearth	
Year	Tons	%	Tons	%	Tons	%
1974	81.6	56.0%	28.7	19.7%	35.5	24.3%
1975	71.8	61.6%	22.7	19.4%	22.2	19.0%
1976	79.9	62.5%	24.6	19.2%	23.5	18.3%
1977	77.4	61.8%	27.9	22.2%	20.0	16.0%
1978	83.5	60.9%	32.2	23.5%	21.3	15.6%
1979	83.3	61.1%	33.9	24.9%	19.2	14.0%
1980	67.6	60.4%	31.2	27.9%	13.1	11.7%
1981	73.2	60.6%	34.1	28.3%	13.5	11.1%
1982	45.3	60.7%	23.2	31.1%	7.1	8.2%
1983	52.1	61.5%	26.6	31.5%	6.0	7.0%

1. Calculated as a percentage of total steel production.
Source: American Iron and Steel Institute

Year	Total Steel Production	Steel Mill Shipments	Castings Shipments[1]
1974	145.7	109.5	18.7
1975	116.6	80.0	16.1
1976	128.0	89.4	17.8
1977	125.3	91.1	16.5
1978	137.0	97.9	18.8
1979	136.3	100.3	18.2
1980	111.8	83.9	14.1
1981	120.8	88.5	14.0
1982	74.6	61.6	9.5
1983	84.6	67.6	10.2

1. Data sample revised beginning 1975.
Source: for steel data, American Iron and Steel Institute; for castings, U.S. Bureau of the Census

Month	Total Steel Production	Steel Mill Shipments	Castings Shipments[1]
1981			
January	10,590	7,616	1,223
February	10,028	7,375	1,206
March	11,744	8,422	1,326
April	11,243	8,108	1,334
May	11,423	7,932	1,295
June	10,451	8,148	1,264
July	10,160	7,115	1,136
August	10,120	7,020	1,115
September	9,618	7,039	1,128
October	9,003	6,723	1,154
November	7,961	5,783	967
December	7,671	5,666	819
1982			
January	7,737	5,608	930
February	7,178	5,433	919
March	8,049	6,163	896
April	7,006	5,488	847
May	6,678	5,149	841
June	6,050	5,372	829
July	5,719	4,514	801
August	5,538	4,724	763
September	5,299	4,760	727
October	5,262	4,309	648
November	4,546	4,088	668
December	4,456	4,234	606
1983			
January	5,570	4,582	707
February	5,676	4,588	726
March	7,127	5,969	763
April	7,292	5,399	790
May	7,412	5,612	847
June	6,993	5,986	849
July	6,921	5,045	694
August	7,020	5,789	969
September	7,134	5,893	938
October	7,692	6,078	925
November	7,263	6,014	903
December	6,991	6,269	969

Purchased scrap receipts, home scrap production and ferrous scrap consumption by grade—thousands of net tons

Total—All Types of Manufacturers	1981 Purchased Scrap Receipts	1981 Home Scrap Production	1981 Total Scrap Consumed	1982 Purchased Scrap Receipts[1]	1982 Home Scrap Production	1982 Total Scrap Consumed	1983 Purchased Scrap Receipts[1]	1983 Home Scrap Production	1983 Total Scrap Consumed
GRADE OF SCRAP									
Carbon steel:									
Low-phosphorous plate and punchings	1,713	315	2,049	1,378	254	1,591	1,261	202	1,434
Cut structural and plate	2,446	753	3,236	1,998	422	2,563	2,132	387	2,549
No. 1 heavy melting steel	8,881	14,820	23,552	5,383	8,430	14,134	7,439	8,633	16,083
No. 2 heavy melting steel	2,300	957	3,344	1,384	784	2,384	2,022	721	2,777
No. 1 and electric furnace bundles	6,345	2,666	8,907	4,105	1,623	6,123	5,969	2,054	7,999
No. 2 and all other bundles	2,037	79	2,394	1,051	15	1,227	1,094	7	1,174
Electric furnace 1 foot and under (not bundles)	278	25	305	208	19	233	239	17	249
Railroad rails	282	—	272	187	9	215	257	15	340
Turnings and borings	1,782	497	2,275	1,095	206	1,373	895	157	1,107
Slag scrap (Fe content 70%)	882	3,728	4,470	407	2,595	2,929	603	2,671	3,097
Shredded or fragmentized	4,097	32	4,132	2,721	56	2,893	3,047	51	3,137
No. 1 busheling	1,440	92	1,548	1,029	125	1,223	1,685	215	1,974
All other carbon steel scrap	3,280	9,921	13,037	2,299	6,364	8,333	2,214	6,071	8,283
Stainless steel scrap	431	524	934	406	362	782	480	523	1,005
Alloy steel (except stainless)	392	1,651	1,965	181	1,022	1,187	180	1,000	1,252
Ingot mold scrap	338	2,652	2,715	114	1,573	1,622	271	1,520	1,837
Machinery and cupola cast iron	1,070	462	1,732	884	355	1,212	808	253	992
Cast iron borings	1,009	321	1,428	613	261	940	906	167	1,165
Motor blocks	547	314	812	518	356	784	811	364	1,097
Other iron scrap	1,106	2,805	3,984	936	1,814	2,837	810	1,408	2,275
Other scrap	1,323	646	2,007	1,099	483	1,601	1,097	809	1,957
Total scrap[2]	**41,981**	**43,280**	**85,097**	**27,994**	**27,127**	**56,386**	**34,219**	**27,247**	**61,782**

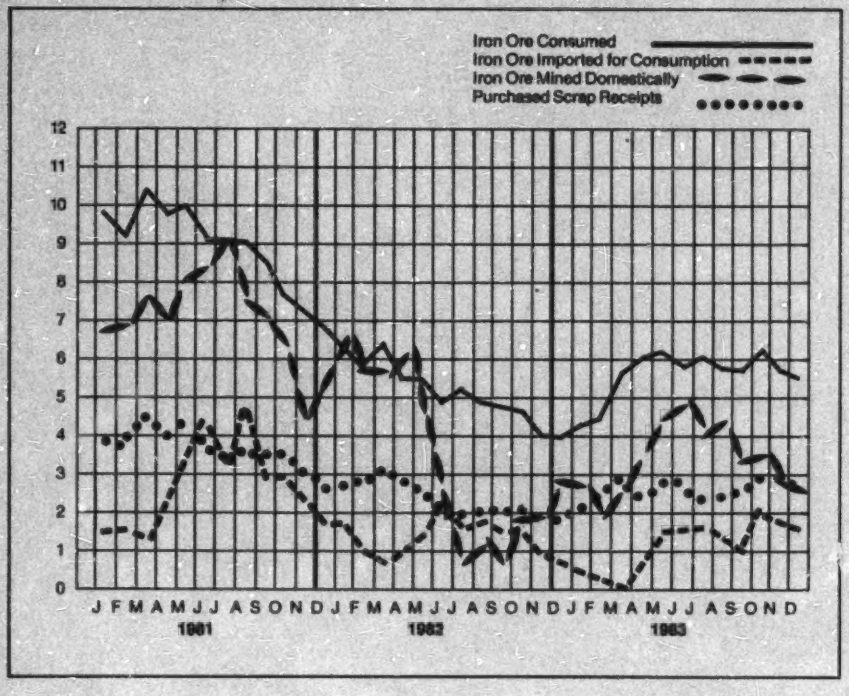
1. Receipts less shipments.
2. Data may not add to totals because of independent rounding.
Source: U.S. Bureau of Mines

U.S. consumption of ferrous scrap and blast furnace iron (BFI) by type of furnace—thousands of net tons

Year	Basic Oxygen Scrap	Basic Oxygen BFI	Blast Scrap	Cupola Scrap	Cupola BFI	Electric Scrap	Electric BFI	Open Hearth Scrap	Open Hearth BFI	Other Scrap	Other BFI	Total Consumed Scrap	Total Consumed BFI
1974	26,614	66,614	4,558	15,640	2,123	37,476	1,220	19,159	22,507	2,037	4,328	105,483	96,792
1975	23,392	59,210	3,931	11,749	1,362	29,850	1,019	11,780	14,554	1,629	3,493	82,331	79,638
1976	26,204	66,138	3,692	13,341	1,197	32,301	638	12,337	15,410	2,035	3,661	89,910	87,045
1977	25,034	63,877	3,771	14,325	1,241	36,414	993	11,087	12,531	1,567	3,361	92,198	82,003
1978	26,006	69,028	4,185	14,077	1,056	41,289	1,440	11,768	13,444	1,899	3,453	99,224	88,420
1979	26,496	68,526	4,117	12,774	1,026	43,555	905	10,478	12,865	1,481	4,135	98,901	87,457
1980	21,859	56,414	3,651	9,440	698	40,154	855	7,445	8,606	1,160	2,481	83,710	69,053
1981	23,278	62,162	4,046	9,113	685	39,642	583	7,498	8,867	1,520	2,743	85,097	75,040
1982	14,059	38,553	2,648	7,328	481	27,794	496	3,588	3,635	970	141	56,386	44,409
1983	16,219	44,330	3,125	7,655	425	30,619	341	3,275	3,918	888	1,056	61,782	50,070

Source: U.S. Bureau of Mines

Iron Ore—millions of net tons



Iron Ore Consumption—Millions of net tons

Month	1981	1982	1983
January	9.7	6.2	4.3
February	9.1	5.8	4.5
March	10.4	6.4	5.8
April	9.8	5.5	6.1
May	9.9	5.5	6.2
June	9.1	4.9	5.9
July	9.0	5.3	6.1
August	9.0	4.9	5.9
September	8.6	4.8	5.8
October	7.7	4.7	6.3
November	7.1	4.1	5.9
December	6.8	4.0	5.7

Source: U.S. Bureau of Mines

Iron Ore Imported for Consumption—Millions of net tons

Month	1981	1982	1983
January	1.4	1.8	0.5
February	1.5	1.1	0.4
March	1.3	0.7	0.2
April	2.0	0.9	0.6
May	3.2	1.3	1.4
June	4.3	2.1	1.6
July	3.4	1.7	1.7
August	4.6	1.7	1.6
September	2.9	1.6	1.2
October	2.9	1.6	2.2
November	2.3	1.0	1.8
December	1.8	0.9	1.7

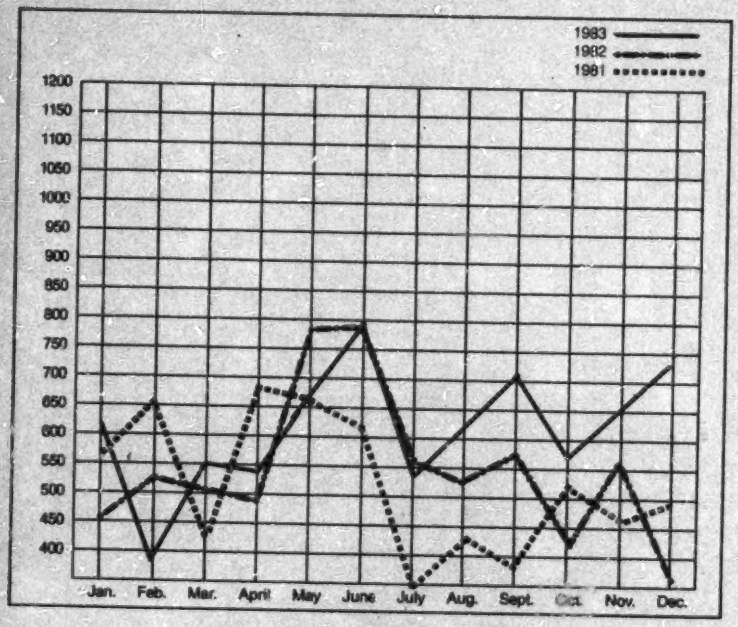
Source: U.S. Bureau of Mines

Iron Ore Mined Domestically—Millions of net tons

Month	1981	1982	1983
January	6.7	6.4	2.8
February	6.8	5.9	2.2
March	7.6	5.8	2.6
April	7.0	6.0	3.5
May	8.1	4.9	4.5
June	8.4	2.8	4.8
July	9.0	1.0	4.5
August	7.7	1.0	4.5
September	7.1	0.8	3.6
October	6.4	1.6	3.6
November	4.4	1.9	3.1
December	5.0	2.6	2.9

Source: U.S. Bureau of Mines

U.S. exports of carbon steel and iron scrap—thousands of net tons



U.S. Exports of Carbon Steel and Scrap—Thousands of net tons Month	1981	1982	1983
January	564	451	615
February	651	528	360
March	425	501	550
April	681	488	544
May	658	770	666
June	617	781	790
July	340	559	548
August	444	527	614
September	385	569	713
October	519	424	566
November	463	605	658
December	498	359	745

Source: U.S. Department of Commerce

U.S. exports of ferrous scrap[1] by country[2]—thousands of net tons

Country	1979	1980	1981	1982	1983
Canada	861	790	737	289	539
Mexico	814	1,125	897	372	419
Greece	500	545	271	208	112
India	89	92	335	415	278
Indonesia	—	—	19	41	144
Italy	1,186	892	34	12	65
Japan	2,922	2,836	1,191	1,448	2,600
Korean Rep	1,418	1,736	1,241	1,491	1,476
Pakistan	2	61	121	89	160
Spain	1,400	1,139	434	855	356
Taiwan	634	990	374	313	493
Turkey	242	318	364	639	700

1. Includes all grades.
2. Canada and Mexico plus ten largest importing countries in current year; dash means separate total not available.

Source: U.S. Department of Commerce

U.S. exports of ferrous scrap by grade—thousands of net tons

Grade	1979	1980	1981	1982	1983
Alloy steel scrap	195	186	108	110	70
Stainless steel scrap[1]	112	118	63	131	80
No. 1 heavy melting scrap	2,697	2,907	1,606	1,883	1,895
No. 2 heavy melting scrap	1,117	1,067	618	626	720
No. 1 baled steel scrap	145	119	41	115	206
No. 2 baled steel scrap	652	314	273	181	220
Shredded steel scrap	2,980	3,323	1,923	2,023	2,029
Borings, shovelings and turnings	889	769	486	577	532
Other steel scrap[2]	1,633	1,575	796	768	1,445
Iron scrap	632	783	501	389	322
Iron and steel scrap	10,745	10,857	6,244	6,563	7,369

1. Subject to revision for 1980.
2. Includes terneplate and tinplate.
Source: U.S. Department of Commerce

Carbon steel scrap export volume grew to 7.4 million net tons, a 12% rise over 1982's 6.6 million tons. Alloy steel scrap exports dropped to 70 thousand tons and stainless steel scrap exports, to 80 thousand tons, respective losses of 36% and 39% against 1982 shipments. Overall export trade failed to reach the healthier levels of 1979 and 1980.

Highest monthly export volume for carbon steel scrap was 790 thousand in June. September and December, too, had shipments over 700 thousand tons.

Japan displaced two-year leader Korea as the largest importer of U.S. ferrous scrap. After an absence of two years, Italy returned to the list of the top twelve foreign purchasers. Newcomer Indonesia completed the dozen.

U.S. imports of ferrous scrap, iron ore, pig iron and steel products—millions of net tons

Year	Scrap[1]	Iron Ore	Pig Iron	Steel
1974	0.2	53.8	0.3	16.8
1975	0.3	52.4	0.5	12.5
1976	0.5	49.7	0.4	15.0
1977	0.6	42.5	0.4	19.9
1978	0.8	37.6	0.7	22.0
1979	0.8	37.8	0.5	17.5
1980	0.6	28.1	0.5	15.5
1981	0.6	31.7	0.5	19.9
1982	0.5	16.4	0.3	16.7
1983	0.6	14.9	0.2	17.1

1. Includes tinplate.
Source: U.S. Bureau of Mines; for steel, American Iron and Steel Institute

No. 1 heavy melting steel scrap composite price[1]—dollars per gross ton

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
1983	$ 61.30	$ 70.00	$ 73.09	$ 71.00	$ 67.70	$ 70.84	$ 71.75	$ 75.04	$ 77.17	$ 77.97	$ 81.42	$ 89.50	$ 73.90
1982	84.34	82.17	76.84	71.34	62.67	58.04	56.00	55.90	56.17	52.20	51.24	52.59	63.35
1981	98.58	99.50	105.23	101.75	95.42	89.37	90.17	94.63	90.42	81.17	75.63	76.42	91.53
1980	99.67	105.00	101.17	92.25	77.50	69.70	76.08	84.42	94.43	95.91	98.50	101.57	91.35
1979	97.56	110.75	119.75	99.96	97.75	100.53	96.10	90.33	88.08	87.30	92.50	94.10	97.81
1978	70.56	72.08	74.25	76.08	71.90	74.76	77.75	76.33	72.91	74.83	83.41	89.91	76.23
1977	72.17	72.33	73.50	71.92	65.30	61.91	61.25	61.37	58.83	49.10	49.50	60.59	63.15
1976	72.16	78.08	89.03	91.75	83.75	84.50	87.33	79.55	70.41	64.00	63.77	69.17	77.79
1975	78.00	79.25	85.03	86.08	81.75	67.06	58.21	69.58	73.46	62.04	58.50	63.41	71.86
1974	83.67	107.00	122.38	124.37	95.55	110.21	127.60	115.09	115.04	119.58	101.50	80.24	108.51

1. Average price of No. 1 heavy melting steel scrap delivered to consumers at Pittsburgh, Philadelphia and Chicago.
Source: *Iron Age*

No. 2 bundles composite price[1]—dollars per gross ton

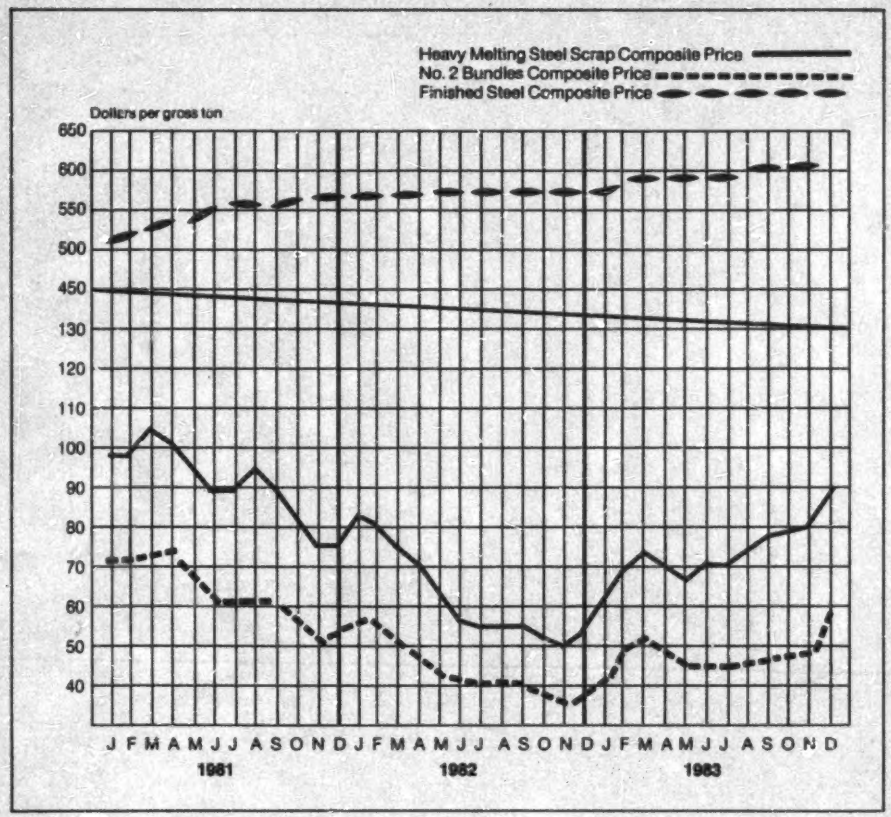
Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
1983	$ 42.84	$ 48.84	$ 51.84	$ 48.84	$ 46.57	$ 46.34	$ 45.75	$ 45.50	$ 46.57	$ 46.57	$ 49.34	$ 58.17	$ 48.80
1982	56.50	56.17	51.24	47.58	44.84	42.84	41.84	41.84	41.17	39.42	38.70	38.50	45.05
1981	71.83	71.83	73.83	75.08	68.08	61.57	61.58	62.50	61.66	56.50	53.43	53.75	64.31
1980	62.50	67.41	65.90	60.83	53.83	50.70	54.00	62.66	67.90	70.91	72.75	75.23	63.71
1979	61.56	68.17	73.25	63.43	65.75	67.50	62.76	58.58	57.41	56.76	58.58	61.03	62.89
1978	47.90	49.25	50.50	51.17	48.50	49.03	51.16	49.75	47.50	47.83	53.66	57.16	50.28
1977	49.30	48.75	50.08	50.25	46.03	42.58	41.83	43.56	41.83	36.10	36.00	43.00	44.11
1976	47.33	52.00	62.30	64.92	62.83	63.43	64.50	56.90	51.00	44.91	44.70	47.66	55.20
1975	46.42	47.00	47.49	49.29	49.16	44.13	40.54	43.58	45.20	42.41	42.00	42.83	45.00
1974	48.92	58.96	68.75	69.13	55.17	57.12	60.37	56.83	58.97	60.50	54.38	47.33	58.03

1. Average price of No. 2 bundles delivered to consumers at Pittsburgh, Philadelphia and Chicago.
Source: *Iron Age*

Finished steel composite price[1]—cents per pound

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
1983	25.297	25.978	25.954	25.954	25.954	25.954	25.954	25.954	26.822	26.822	26.822	26.822	26.190
1982	25.195	25.195	25.195	25.297	25.297	25.297	25.297	25.297	25.297	25.297	25.297	25.297	25.271
1981	22.901	23.362	23.598	23.776	23.776	24.232	24.488	24.488	24.488	23.195	25.195	25.195	24.224
1980	20.943	21.038	21.168	21.739	21.739	21.739	21.736	21.736	21.736	21.982	22.019	22.286	21.655
1979	19.549	19.549	19.549	19.606	19.637	19.668	20.253	20.311	20.311	20.547	20.547	20.547	20.006
1978	16.294	17.324	17.393	17.670	17.670	17.670	17.875	18.719	18.719	18.719	18.719	18.719	17.957
1977	15.146	15.146	15.146	15.146	15.146	15.146	15.941	15.941	16.043	16.043	16.043	16.043	15.577
1976	13.693	13.693	13.693	13.693	13.835	14.186	14.502	14.598	14.598	14.598	14.598	14.880	14.213
1975	12.739	12.928	12.928	12.928	12.928	12.920	12.912	12.912	12.961	13.692	13.693	13.693	13.102
1974	9.456	9.480	9.480	10.033	10.033	11.108	12.075	12.346	12.389	12.433	12.433	12.433	11.141

1. Weighted index of steel bars, shapes, wire, rails, black pipe, hot and cold rolled sheets and strips.
Source: *Iron Age*



The average annual price of No. 1 Heavy Melting Steel Scrap in 1983 was $73.90, a modest recovery from the weak-demand level of 1982. The month-by-month recovery was rather steady from January's low of $61.30 to a high in December of $89.50. Even this monthly high was less than annual averages in 1979-1981 and significantly below the historic highs recorded in 1974.

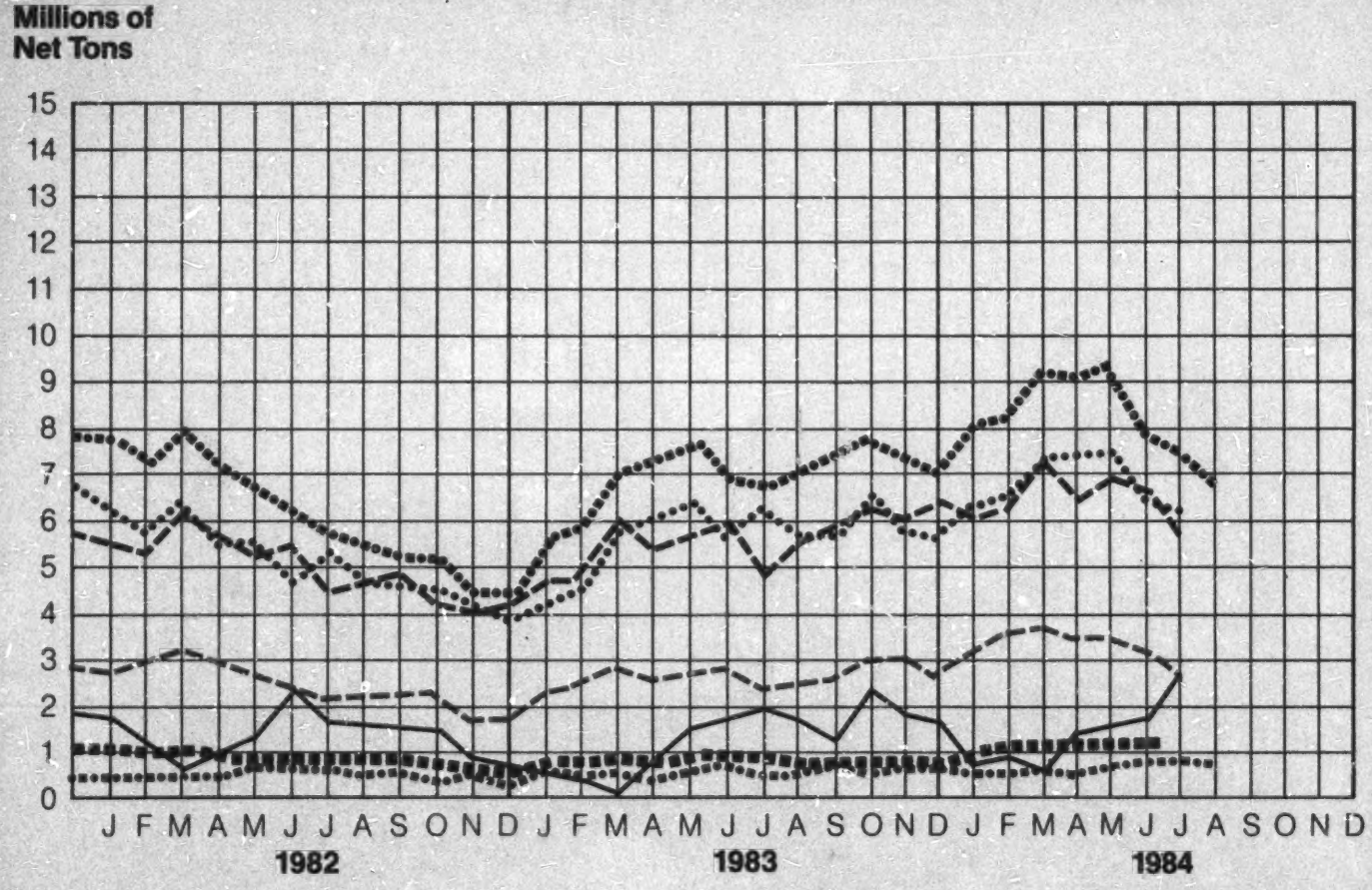
A finished steel composite price increased 4%.

A comparison of charted values for 1981-1983 demonstrates again that the movement in finished steel prices is not influenced by movements in scrap prices.

Scrap composite prices are helpful primarily in reflecting the general movement of scrap prices. The composite for each scrap grade is based on a simple average of prices at Pittsburgh, Philadelphia and Chicago, representing three important cities among some 17 regional U.S. markets for which prices are published. It would be extremely unusual if significant volumes of scrap were purchased at the actual composite price. In the case of months when there are limited or no scrap transactions, the published price may reflect a sense of the market, (or part of the market) were it functioning.

The two scrap price series—No. 1 Heavy Melting Steel Scrap and No. 2 Bundles—include transportation costs to the steel mill or foundry purchasing the material. For example, if the No. 2 Bundle price is $58.33, the freight rate (which could range from $5.00 to $18.00 a ton and up depending upon the total weight and distance involved) must be subtracted to determine the amount received by the processor.

By contrast, the Finished Steel price does not include transportation charges. It is the price of the steel product at the mill and consequently, is not influenced by changes in freight charges.


Millions of
Net Tons
15
14
13
12
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8
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0
J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D
1982
1983
1984
Ferrous scrap purchased by U.S. steel mills and foundries[1]
Ferrous scrap exported[1]
Iron ore consumed by U.S. steel mills and foundries[1]
Iron ore imported to the U.S. for consumption[1]
Raw steel produced[2]
Steel mill shipments[2]
Foundry castings shipments[3]
1. U.S. Bureau of Mines 2. American Iron and Steel Institute 3. U.S. Bureau of the Census